

Message Text

CONFIDENTIAL

PAGE 01 STATE 258143

60

ORIGIN ARA-10

INFO OCT-01 ISO-00 EB-07 SP-02 AID-05 NSC-05 CIEP-01

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00

FRB-03 INR-07 NSAE-00 USIA-06 XMB-02 OPIC-03 LAB-04

SIL-01 L-03 H-02 /083 R

66614

DRAFTED BY: ARA/BC:WLOWENTHAL

APPROVED BY: ARA:AFISHLOW

----- 073570

P 310052Z OCT 75

FM SECSTATE WASHDC

TO AMEMBASSY SANTIAGO PRIORITY

C O N F I D E N T I A L STATE 258143

E.O. 11652: GDS

TAGS: EFIN, ECON, CI

SUBJ: CAUAS-FISHLOW BREAKFAST MEETING OCT 29

1. FINANCE MINISTER CAUAS INVITED DEPUTY ASSISTANT SECRETARY FISHLOW TO EXCHANGE VIEWS ON CHILE'S ECONOMIC PROSPECTS.

2. AWARE THAT DEBT RESCHEDULING IN 1976 WILL PROBABLY BE MORE CONTENTIOUS THAN THIS YEAR, CAUAS SAID HE WAS THINKING ABOUT THE POSSIBILITY OF LIMITING IT TO A BILATERAL RESCHEDULING WITH THE USG AND POSSIBLY ITT AND THE COPPER COMPANIES.

3. FISHLOW STRONGLY COUNTERED BY SAYING THIS WOULD NOT BE A VIABLE SOLUTION. HE STRESSED THE NEED TO KEEP ANY RESCHEDULING IN THE MULTILATERAL ARENA EVEN IF NOT IN PARIS.

4. TURNING TO POST-1976(PROSPECTS, FISHLOW THOUGHT THE QUESTION OF INCREASING INVESTMENT NEEDED CONSIDERABLE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 258143

ATTENTION IF THE COUNTRY WAS TO BEGIN TO PULL OUT OF ITS

ECONOMIC SLUMP. SUCH A POLICY WOULD REQUIRE PLANNING AND PREPARATION THAT SHOULD BEGIN ALMOST IMMEDIATELY. CAUAS AGREED THAT THIS WAS AN AREA TO WHICH HE WOULD GIVE ACTIVE CONSIDERATION.

5. FISHLOW ALSO SUGGESTED THAT IN FORMULATING POST-1976 ECONOMIC POLICY, IT MIGHT BE WISE TO INCORPORATE AN INCOME DISTRIBUTION ASPECT TO THE RECOVERY PROGRAM. MEASURES AFFECTING PUBLIC INVESTMENT AND DISTRIBUTION OF INCOME WOULD NOT ONLY HELP STEP UP THE EFFECTIVENESS OF THE PROGRAM BUT WOULD ALSO IMPROVE THE IMAGE BY CHANGING IT FROM ONE OF PURE PRIVATE ENTERPRISE INCENTIVE AND LITTLE PUBLIC ACTION TO ONE OF GREATER OVERALL PUBLIC CONCERN AND DIRECTION. INGERSOLL

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC CONDITIONS, POLICIES, DIPLOMATIC DISCUSSIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 31 OCT 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE258143
Document Source: CORE
Document Unique ID: 00
Drafter: ARA/BC:WLOWENTHAL
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750377-0866
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t1975105/aaaaadxxy.tel
Line Count: 75
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: CunninFX
Review Comment: n/a
Review Content Flags:
Review Date: 28 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <28 MAY 2003 by ShawDG>; APPROVED <09 OCT 2003 by CunninFX>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CAUAS-FISHLOW BREAKFAST MEETING OCT 29
TAGS: EFIN, ECON, CI, US
To: SANTIAGO
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006